



Rural Business & Cooperative Services
Rural Housing Service
Rural Utilities Service

United States
Department of
Agriculture

**Rural
Development**

Single Family Housing Program Division
1835 Black Lake Blvd. SW, Suite C
Olympia, WA 98512-5716
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May 21, 2003

SUBJECT: Prior Lienholder Agreement

TO: All SFH Employees
USDA, Rural Development, Washington

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to require the recording of Prior Lienholder Agreements when a leveraged loan is made and USDA, Rural Development is in a junior lien position.

COMPARISON WITH PREVIOUS AN:

There is no previous AN on this subject.

IMPLEMENTATION RESPONSIBILITIES:

It has become necessary to protect the government's interest by reinforcing the use of prior lienholder agreements. Form 1927-8, "Agreement with Prior Lienholder," will be completed using the address of the State Office: USDA, Rural Development, 1835 Black Lake Blvd. SW, Suite C, Olympia, WA 98512. The agreement will be recorded at loan closing as an addendum to the Deed of Trust. This form can be signed by any employee with the authority to bind the institution.

If you have any questions, please contact the Single Family Housing Program Division.

/s/
JACKIE J. GLEASON
State Director

EXPIRATION DATE:
May 31, 2004

FILING INSTRUCTIONS:
Preceding FmHA Inst. 1927-B & HB-1-3550 (Appendix 7)